



Public Service Commission of Wisconsin

Ave M. Bie, Chairperson
Joseph P. Mettner, Commissioner
Robert M. Garvin, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

July 3, 2002 (Via E-Mail)

TO: All Incumbent Local Exchange Carriers

Re: In the Matter of Prescribing a Uniform System of
Accounts for Class A and Class B Telephone Utilities

Docket No. 05-US-113

**Commission Staff Meeting to Discuss
Possible Revisions to the Uniform System of
Accounts for Class A and Class B Telephone
Utilities**

**9:00 a.m., Wednesday, July 24, 2002
Amnicon Falls Hearing Room (room 1300)
Public Service Commission of Wisconsin
610 N. Whitney Way
Madison, WI 53705-2729**

On November 5, 2001, the Federal Communications Commission (FCC) released an order in CC Docket Nos. 00-199, 97-212, and 80-286.¹ The FCC's changes to Part 32 of its rules will generally be effective January 1, 2003, for incumbent local exchange carriers. Historically, the Public Service Commission of Wisconsin (Commission) has adopted much, but not all, of the FCC Part 32 accounting rules.² As a result of the FCC order, the Commission will therefore be examining possible changes to the Uniform System of Accounts (USOA) for Class A and Class B telephone utilities as used in Wisconsin.

Commission staff will hold an informal meeting concerning this subject with the Wisconsin State Telecommunications Association, Inc. (WSTA) and other interested persons. That meeting is scheduled at 9:00 a.m. on Wednesday, July 24, 2002, in the Amnicon Falls Hearing Room (room 1300) located on the first floor of the Commission's offices at 610 North Whitney Way, Madison, Wisconsin. At such meeting, Commission staff will discuss possible changes to the USOA, including, but not necessarily limited to, the following:

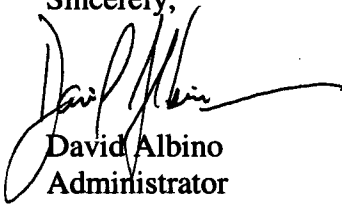
¹ In the Matter of 2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 (CC Docket No. 00-199), Amendments to the Uniform System of Accounts for Interconnection (CC Docket No. 97-212), Jurisdictional Separations Reform and Referral to the Federal-State Joint Board (CC Docket No. 80-286), and Local Competition and Broadband Reporting (CC Docket No. 99-301), Report and Order in CC Docket Nos. 00-199, 97-212, and 80-286 and Further Notice of Proposed Rulemaking in CC Docket Nos. 00-199, 99-301, and 80-286, adopted October 11, 2001, and released November 5, 2001. An errata order in these same dockets was adopted and released by the FCC on January 17, 2002, and January 18, 2002, respectively.

² By order dated October 1, 1987, in docket 05-US-102, the Commission adopted and prescribed with certain amendments the Uniform System of Accounts, as set forth in FCC docket 78-196, for use by the Class A and Class B telephone companies under its jurisdiction. This Commission by supplemental orders in docket 05-US-102 dated May 2, 1989, February 6, 1990, June 17, 1993, July 15, 1994, October 31, 1995, December 22, 1997, and March 24, 1999, prescribed amendments to this system of accounts.

1. The Phase 2 Further Comments of the Public Service Commission of Wisconsin filed with the FCC on July 12, 2001, in CC Docket No. 00-199.
2. Whether the Commission should adopt 47 C.F.R. § 32.27, Transactions with Affiliates.
3. The Commission's Final Decision dated November 16, 2001, in docket 1090-TI-100, Investigation of Possible Improper Subsidization by Chibardun Telephone Cooperative, Inc., of its Subsidiaries and of Possible Related Violations.
4. Whether cooperative's patronage capital should be classified in account 4520, Additional Paid-in Capital, or account 4550, Retained Earnings.
5. What degree of consideration, if any, the Commission should grant for incumbent local exchange carriers subject to dual jurisdiction of the FCC and this Commission.

Electronic versions of the FCC's orders as well as other pertinent documents are available on the Commission's web page at <http://psc.wi.gov/telecom/newsinfo/newsinfo.htm>. If you have any questions concerning this matter, please feel free to contact Kevin Klingbeil at (608) 267-9504.

Sincerely,



David Albino
Administrator
Telecommunications Division

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cc: Ray Riordan, WSTA
Nick Lester, WSTA
Jerry Ringlund, Chairman, WSTA Accounting Committee
Scott Jansen, Wisconsin Bell, Inc.
Paul Verhoeven, Verizon North-Wisconsin Operations
Matt Macdonald, Kiesling Associates